STATUTORY FINANCIAL STATEMENTS

Garmin Ltd. (Switzerland)
Years Ended December 27, 2025 and December 28, 2024

Ernst & Young Ltd
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To the General Meeting of
Garmin Ltd., Schaffhausen

Zurich, February 18, 2026

Report of the statutory auditor

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Garmin Ltd. (the Company), which comprise the balance sheet as at December 27, 2025, the statement of income for the period from December 29, 2024 to December 27, 2025, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

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Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposals of the Board of Directors comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

/s/ Rico Fehr	/s/ Michaela Held
Licensed audit expert	Licensed audit expert
(Auditor in charge)	

Enclosures

- Financial statements (balance sheet, statement of income, notes)
- Proposals of the Board of Directors

Garmin Ltd.

Statutory Financial Statements

Years Ended December 27, 2025 and December 28, 2024

Contents

Garmin Ltd.
Balance Sheet
(In thousands)

	December 27, 2025 (USD)	December 28, 2024 (USD)	December 27, 2025 (Indicative CHF)	December 28, 2024 (Indicative CHF)
Assets				
Cash and cash equivalents	892	1,158	703	1,043
Accounts receivable - affiliates	24,817	31,390	19,605	28,251
Other receivables - third party	38	9	30	8
Prepaid expenses	956	774	755	697
Total current assets	26,703	33,331	21,093	29,999
Loans receivable - affiliates	109,716	653,661	86,676	588,295
Investment in affiliated companies	4,439,293	4,243,660	3,507,041	3,819,294
Total non-current assets	4,549,009	4,897,321	3,593,717	4,407,589
Total assets	4,575,712	4,930,652	3,614,810	4,437,588
Liabilities and shareholders' equity				
Accounts payable - affiliates	29,802	27,612	23,544	24,851
Accrued expenses	1,631	613	1,288	552
Dividend payable from capital contribution reserve	172,967	143,981	136,644	129,583
Total current liabilities	204,400	172,206	161,476	154,986
Total liabilities	204,400	172,206	161,476	154,986
Share capital	19,490	19,490	15,397	17,541
Legal capital reserves:				
Reserve from capital contribution	2,806,743	3,640,349	2,217,327	3,276,314
Reserve for treasury shares from capital contribution	405,786	274,187	320,571	246,768
Other capital reserves	74	74	58	67
Voluntary retained earnings:				
Dividend reserve from capital contribution	79,522	70,281	62,822	63,253
Available earnings:				
Balance brought forward	754,065	526,230	595,711	473,607
Net earnings (loss)	305,632	227,835	241,448	205,052
Total shareholders' equity	4,371,312	4,758,446	3,453,334	4,282,602
Total liabilities and shareholders' equity	4,575,712	4,930,652	3,614,810	4,437,588

Garmin Ltd.
Statement of Income
(In thousands)

	Fiscal Year Ended		Fiscal Year Ended	
	December 27, 2025 (USD)	December 28, 2024 (USD)	December 27, 2025 (Indicative CHF)	December 28, 2024 (Indicative CHF)
Dividend income - affiliates	320,705	222,949	253,357	200,654
General and administrative expenses	(10,754)	(11,710)	(8,496)	(10,538)
General and administrative expenses - affiliates	(21,835)	(19,682)	(17,250)	(17,714)
Operating expenses	(32,589)	(31,392)	(25,746)	(28,252)
Financial result:				
Interest income - affiliates	19,042	35,249	15,043	31,724
Foreign currency (losses) gains	(415)	1,029	(328)	926
Total financial result	18,627	36,278	14,715	32,650
Income tax expense	(1,111)	-	(878)	-
Net earnings (loss)	305,632	227,835	241,448	205,052

Garmin Ltd.

Notes to Statutory Financial Statements

December 27, 2025 and December 28, 2024

(In thousands, except share and per share information and where otherwise indicated)

1. Summary of significant accounting policies

General aspects

Garmin Ltd. (the "Company") is the parent company of the Garmin Group and has its registered office at Mühlentalstrasse 36/38, 8200 Schaffhausen, Switzerland. The Company did not have any employees at December 27, 2025 and December 28, 2024.

Basis of presentation

These unconsolidated statutory financial statements of Garmin Ltd. have been prepared in accordance with the general accepted accounting principles as set out in the Swiss Code of Obligations ("SCO") Art. 957 to 963b. Since the Company has prepared consolidated financial statements in accordance with U.S. generally accepted accounting standards, a recognized accounting standard, we have, in accordance with the SCO, elected to forego presenting the statement of cash flows, the additional disclosures and the management report otherwise required by the SCO.

The consolidated financial statements of the Garmin Group include 100 percent of the assets, liabilities, revenues, expenses, income and cash flows of Garmin Ltd. and subsidiaries in which the Company has a controlling interest, as if the Company and its subsidiaries were a single company.

The Company's Share Capital is denominated in U.S. dollars, effective as of the beginning of the 2023 fiscal year, as set out in SCO Art. 621(3) and the Company presents the Share Capital using the functional currency (U.S. Dollar) as set out in SCO Art. 621(2). Indicative values in CHF are also presented in accordance with SCO Art. 958d(3). The exchange rate used for the indicative CHF values will be the rate as of the balance sheet date for both the statement of income and the balance sheet. These columns are provided for ease of reference and do not represent a basis of presentation of the financial statements.

The Company has adopted a 52-53 week period ending on the last Saturday of the calendar year. Due to the fact that there are not exactly 52 weeks in a calendar year and there is slightly more than one additional day per year (not including the effects of a leap year) in each calendar year as compared to a 52-week fiscal year, the Company will have a fiscal year comprising 53 weeks in certain fiscal years, as determined by when the last Saturday of the calendar year occurs. The fiscal years ended December 27, 2025 and December 28, 2024 included 52 weeks.

Affiliates

The term "Affiliates", as referred to in these financial statements, is defined as directly and indirectly held subsidiaries.

Exchange rate differences

Beginning fiscal year 2023, the Company presents its statutory reporting in USD. Realized gains or losses arising from business transactions denominated in currencies other than USD, the Company's functional currency, are recognized in the statement of income. At the balance sheet date, all monetary assets and liabilities denominated in currencies other than USD, are remeasured into USD using year-end exchange rates. Related measurement gains and losses on current assets and liabilities are recognized in the statement of income, given their short-term nature.

Investment in affiliated companies

Investments in affiliated companies are recorded at historical cost less adjustment for impairment of value.

Dividend payable from capital contribution

The dividend payable from capital contribution includes the outstanding quarterly dividend installments, approved by the Annual Meeting but not yet paid.

Reserve from capital contribution

The reserve from capital contribution includes the premium from the capital increase in the year 2010, plus

- amounts from share capital reallocated to the reserve from capital contribution following par value reductions and share cancellations,

less

- the dividends from capital contribution distributed to date
- amounts expected to be distributed (dividend payable from capital contribution)
- amounts reallocated to the reserve for treasury shares from capital contribution and
- the dividend reserve from capital contribution.

Dividend reserve from capital contribution

The dividend reserve from capital contribution includes the amount of reserve from capital contribution reallocated to voluntary retained earnings through the last shareholder resolution, including the margin for new share issuances that may occur between the time that the dividend has been approved by shareholders and when the last installment payment is made, reduced by quarterly dividend installments actually paid and expected quarterly dividend installments included in “dividend payable from capital contribution”.

Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders’ equity at the time of acquisition. In case of resale, the gain or loss is recognized through the statement of income as financial income or financial expense. For treasury shares held at Affiliates, the Company builds a treasury shares reserve in equity at the respective acquisition costs.

Personnel expense

Personnel expense for the years ended December 27, 2025 and December 28, 2024 amounted to USD 390 (CHF 308) and USD 3,240 (CHF 2,916), respectively, and is related to personnel expense allocated from the Company’s Affiliates, related to the performance of certain general and administrative services including executive administration, procurement and payables, treasury and cash management, payroll, and accounting, as well as the Board of Directors of the Company.

The Company uses treasury shares for share-based payment programs for Board members. Any difference between the acquisition cost and any consideration paid by the Board members at grant date is recognized as personnel expense.

2. Investment in directly and material indirectly held affiliated companies

		Ownership Interest		Voting Interest	
Company Name	**Domicile**	**Direct**	**Indirect**	**Direct**	**Indirect**
Garmin Luxembourg Holdings S.à r.l.	Luxembourg	100%		100%	
Garmin Luxembourg S.à r.l.	Luxembourg		100%		100%
Garmin Switzerland GmbH	Switzerland	100%		100%	
Garmin International, Inc.	United States	100%		100%	
Garmin Corporation	Taiwan		100%		100%
Garmin (Europe) Ltd.	United Kingdom		100%		100%
Garmin Australasia Pty. Ltd.	Australia		100%		100%
Garmin Deutschland GmbH	Germany		100%		100%
Garmin Switzerland Distribution GmbH	Switzerland	100%		100%	

The investment in directly and material indirectly held affiliated companies is the same for the years ended December 27, 2025 and December 28, 2024.

3. Shareholders' equity

		Legal capital reserves			Voluntary retained earnings				
						Available earnings			
USD in thousands	Share capital	Reserve from capital contribution	Reserve for treasury shares from capital contribution	Other capital reserves	Dividend reserve from capital contribution	Balance brought forward	Net earnings (loss) for the year	Treasury shares	Total
Balance as of December 30, 2023	19,588	4,099,733	239,434	74	222,289	948,805	(323,393)	(99,182)	5,107,348
Balance brought forward						(323,393)	323,393		-
Release of amounts to dividend payable from reserve from capital contribution (2022 dividend)		(613)							(613)
Release of dividend reserve from capital contribution (2022 dividend)		222,289			(222,289)				-
Net movement in reserve for treasury shares from capital contribution		(34,753)	34,753						-
Release to dividend reserve from capital contribution (2023 dividend)		(646,405)			646,405				-
Cancellation of repurchased shares	(98)	98				(99,182)		99,182	-
Dividend payments (2023 dividend)					(432,143)				(432,143)
Dividend payable at year-end (2023 dividend)					(143,981)				(143,981)
Net (loss) earnings for the year							227,835		227,835
Balance as of December 28, 2024	19,490	3,640,349	274,187	74	70,281	526,230	227,835	-	4,758,446
Balance as of December 28, 2024 - Indicative CHF	17,541	3,276,314	246,768	67	63,253	473,607	205,052	-	4,282,602

USD in thousands	Share capital	Legal capital reserves			Voluntary retained earnings			Treasury shares	Total
						Available earnings			
		Reserve from capital contribution	Reserve for treasury shares from capital contribution	Other capital reserves	Dividend reserve from capital contribution	Balance brought forward	Net earnings (loss) for the year		
Balance as of December 28, 2024	19,490	3,640,349	274,187	74	70,281	526,230	227,835	-	4,758,446
Balance brought forward						227,835	(227,835)		-
Release of amounts to dividend payable from reserve from capital contribution (2023 dividend)		(480)							(480)
Release of dividend reserve from capital contribution (2023 dividend)		70,281			(70,281)				-
Net movement in reserve for treasury shares from capital contribution		(131,599)	131,599						-
Release to dividend reserve from capital contribution (2024 dividend)		(771,808)			771,808				-
Dividend payments (2024 dividend)					(519,319)				(519,319)
Dividend payable at year-end (2024 dividend)					(172,967)				(172,967)
Net (loss) earnings for the year							305,632		305,632
Balance as of December 27, 2025	19,490	2,806,743	405,786	74	79,522	754,065	305,632	-	4,371,312
Balance as of December 27, 2025 - Indicative CHF	15,397	2,217,327	320,571	58	62,822	595,711	241,448	-	3,453,334

The summary of the components of Share Capital at December 27, 2025, December 28, 2024, and December 30, 2023 and changes during those years are as follows:

	Outstanding Shares	Treasury Shares		Issued Shares
		Held by Affiliates	Held by Company	
December 30, 2023	191,777,109	3,123,856	979,463	195,880,428 [1]
Treasury shares cancelled			(979,463)	(979,463) [2]
Treasury shares purchased	(597,692)	597,692		
Treasury shares issued for stock based compensation	1,288,359	(1,288,359)	-	
December 28, 2024	192,467,776	2,433,189	-	194,900,965 [1]
Treasury shares purchased	(1,133,370)	1,133,370	-	-
Treasury shares issued for stock based compensation	1,285,604	(1,285,604)	-	
December 27, 2025	192,620,010	2,280,955	-	194,900,965 [1]

[1] Shares at USD 0.10 par value.

[2] The 2023 Annual General Meeting approved the cancellation of 979,463 registered shares repurchased under the share repurchase program.

Under Art. 5 of the Company's Articles of Association, the Board of Directors shall be authorized within the capital band to increase or decrease the share capital until June 5, 2026 or until an earlier expiration of the capital band. The capital increase or decrease may be effected by issuing up to 38,980,193 fully paid-in shares and canceling up to 19,490,096 shares.

Under Art. 6 of the Company's Articles of Association, up to 99,038,709 conditional shares may be issued through the exercise of option rights which are granted to Garmin employees and/or members of its Board of Directors.

4. Treasury Shares

At December 30, 2023, the Company held 979,463 treasury shares with an average cost of USD 101 (CHF 85), of which 979,463 were cancelled in 2024 consistent with the Company's approved capital band. At December 28, 2024 and December 27, 2025, the Company did not hold any treasury shares.

At December 27, 2025 and December 28, 2024, the Company's Affiliates held 2,280,955 and 2,433,189 treasury shares, respectively. The average cost of all treasury shares held by Affiliates at December 27, 2025 and December 28, 2024 amounts to USD 178 (CHF 141) and USD 113 (CHF 101), respectively.

	Carrying value (USD in thousands)	Number of shares held by affiliates	Average cost (USD)
Balance as of December 30, 2023	239,434	3,123,856	77
Acquired	104,885	597,692	175
Treasury stock used for stock based compensation	(70,132)	(1,288,359)	54
Balance as of December 28, 2024	274,187	2,433,189	113
Balance as of December 28, 2024 - Indicative CHF	246,768	2,433,189	101

	Carrying value (USD in thousands)	Number of shares held by affiliates	Average cost (USD)
Balance as of December 28, 2024	274,187	2,433,189	113
Acquired	238,728	1,133,370	211
Treasury stock used for stock based compensation	(107,129)	(1,285,604)	83
Balance as of December 27, 2025	405,786	2,280,955	178
Balance as of December 27, 2025 - Indicative CHF	320,571	2,280,955	141

5. Contingent Liabilities

The Company has a tax sharing agreement with its Affiliates for certain tax reserves. In addition, the Company through certain of its Affiliates is involved in various regulatory and legal matters. The Company's Affiliates have made certain related accruals. There could be material adverse outcomes beyond the accrued liabilities. Finally, as part of regular business negotiations, the Company will also occasionally guarantee certain financial obligations of its Affiliates when doing so leads to favorable terms. The total amount of these guarantees at December 27, 2025 and December 28, 2024 were USD 64,090 (CHF 50,631) and USD 65,346 (CHF 58,812) respectively.

6. Shares for members of the Board of Directors and Executive Management

According to the compensation plan, members of the Board of Directors and Executive Management are partially paid in shares. Treasury shares are used for such share allocations. The allocation of shares was as follows:

	2025			2024		
	Quantity	Value - USD	Value - Indicative CHF	Quantity	Value - USD	Value - Indicative CHF
Board of Directors	3,432	700,092	553,076	4,360	699,648	629,684
Executive Management	56,778	11,900,107	9,401,084	65,823	10,625,291	9,562,765

7. Dividend income

During 2025, Garmin Ltd. received a dividend of USD 320,705 (CHF 253,357) from its Affiliates. During 2024, Garmin Ltd. received a dividend of USD 222,949 (CHF 200,654) from one of its Affiliates. No impairment loss was recognized related to these dividends.

8. Subsequent events

No significant events occurred subsequent to the balance sheet date but prior to February 18, 2026 that would have a material impact on the financial statements.

Appropriation of Available Earnings and Reserves
(In thousands)

	December 27, 2025 (USD)	December 27, 2025 (Indicative CHF)
Balance brought forward from previous years	754,065	595,711
Net earnings for the period (on a stand-alone unconsolidated basis)	305,632	241,448
Total available to the general meeting	1,059,697	837,159
Proposal of the Board of Directors for the appropriation of available earnings to the general meeting:	1,059,697	837,159
Balance to be carried forward	1,059,697	837,159

USD in thousands	Reserve from capital contribution	Reserve for treasury shares from capital contribution [1]	Dividend reserve from capital contribution
Balance as of December 27, 2025	2,806,743	405,786	79,522
Proposed release of reserve from capital contribution to dividend reserve from capital contribution	(900,442)		900,442
Balance to be carried forward	1,906,301	405,786	979,964

[1] The reserve for treasury shares is blocked from distribution.

The Board of Directors proposes to the Annual Meeting that Garmin Ltd. pay a cash dividend in the amount of USD 4.20[1] per outstanding share out of Garmin Ltd.'s reserve from capital contribution payable in four equal installments at the dates determined by the Board of Directors in its discretion, the record date and payment date for each such installment to be announced in a press release[2] at least ten calendar days prior to the record date.

The cash dividend shall be made with respect to the outstanding share capital of Garmin Ltd. on the record date for the applicable installment, which amount will exclude any shares of Garmin Ltd. held by Garmin Ltd. or any of its direct or indirect subsidiaries.

USD 900,442[3] shall be allocated to dividend reserves from capital contribution (the "Dividend Reserve") from the reserve from capital contribution in order to pay such dividend of USD 4.20 per outstanding share with a nominal value of USD 0.10 each (assuming a total of 194,900,965 shares[4] eligible to receive the dividend). If the aggregate dividend payment is lower than the Dividend Reserve, the relevant difference will be allocated back to the reserve from capital contribution.

[1] In no event will the dividend payment exceed a total of USD 4.20 per share.

[2] The announcements will not be published in the Swiss Official Gazette of Commerce.

[3] Based on a total of 194,900,965 shares eligible for payout (based on the number of shares issued as at December 27, 2025), the aggregate Dividend Reserve would be USD 900,442. The amount of the Dividend Reserve, calculated on the basis of the Company's issued shares as at December 27, 2025, includes a margin to accommodate new share issuances (see footnote 4 below) that may occur between the time that the dividend is approved by shareholders and when the last installment payment is made. Unused Dividend Reserves will be returned to the reserve from capital contribution after the last installment payment.

[4] This number is based on the registered share capital at December 27, 2025. The number of shares eligible for dividend payments may change due to the issuance of new shares, including (without limitation) from the conditional share capital reserved for the employee profit sharing program, and utilization of the approved capital band.

Statutory Consolidated Financial Statements

Garmin Ltd. (Switzerland)
Years Ended December 27, 2025 and December 28, 2024

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To the General Meeting of
Garmin Ltd., Schaffhausen

Zurich, February 18, 2026

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Garmin Ltd. and its subsidiaries (the Group, Company), which comprise the consolidated balance sheets as of December 27, 2025 and December 28, 2024, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 27, 2025, and the related notes, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 27, 2025 and December 28, 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 27, 2025, in conformity with U.S. generally accepted accounting principles (US GAAP) and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, Swiss Standards on Auditing (SA-CH) and the standards of the Public Company Accounting Oversight Board (United States) (PCAOB standards). Our responsibility is to express an opinion on these consolidated financial statements based on our audit and our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are a public accounting firm and are independent of the Group in accordance with the provisions of Swiss law, U.S. federal securities law, as well as the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities, the U.S. Securities and Exchange Commission and the PCAOB. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Critical audit matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the Audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

Measurement of Uncertain Tax Positions

Description of the Matter	The Company accounts for income taxes in accordance with ASC 740, Income Taxes. The Company operates in a multinational tax environment and is subject to a multitude of tax laws, regulations, and guidelines. Some transactions and the related impact to the income tax provision are judgmental, particularly related to the application of transfer pricing rules to certain intercompany transactions. Auditing the tax positions related to the application of transfer pricing rules and tax laws to certain intercompany transactions was complex and measurement of the uncertain tax positions required judgment. Certain tax positions carry unique facts and circumstances that must be evaluated considering the functions performed by certain Company legal entities in each jurisdiction and the measurement of the uncertain tax position is based on the interpretation of laws, regulations, tax case law and rulings, and other factors.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of the Company's controls relating to the application of transfer pricing rules and tax laws to certain intercompany transactions and the related recognition and measurement of uncertain tax positions. Our audit procedures included, among others, involving our tax professionals to assist in testing the Company's recognition and measurement of uncertain tax positions related to the application of transfer pricing rules to certain intercompany transactions, including evaluating the assumptions and data in the Company's transfer pricing analyses. We also read the Company's correspondence with the relevant tax authorities (if any), evaluated the Company's interpretation of the application of global or local tax law to certain intercompany transactions, and assessed relevant third-party advice obtained by the Company. In addition, we used our knowledge of international and local income tax laws to evaluate the Company's accounting conclusions for these uncertain tax positions.

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Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with US GAAP and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, SA-CH and PCAOB standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, SA-CH and PCAOB standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors and the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters arising from the audit of the consolidated financial statements that were communicated or required to be communicated to the Board of Directors and the Audit Committee, we determine the matter that related to accounts or disclosures that are material to the consolidated financial statements and involved especially challenging, subjective, or complex auditor judgment in the current period and is therefore a critical audit matter.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

We have served as the Group's auditor since 1990.

Ernst & Young Ltd

/s/ Rico Fehr Licensed audit expert (Auditor in charge)	/s/ Michaela Held Licensed audit expert

Enclosures

- Consolidated financial statements (consolidated balance sheets, statements of income, comprehensive income, stockholders' equity, cash flows and notes)

Garmin Ltd. and Subsidiaries
Consolidated Statements of Income
(USD in thousands, except per share information)

	Fiscal Year Ended		
	December 27, 2025	**December 28, 2024**	**December 30, 2023**
Net sales	$ 7,245,519	$ 6,296,903	$ 5,228,252
Cost of goods sold	2,989,216	2,600,348	2,223,297
Gross profit	4,256,303	3,696,555	3,004,955
Research and development expense	1,126,231	993,601	904,696
Selling, general and administrative expenses	1,253,996	1,108,960	1,008,099
Total operating expense	2,380,227	2,102,561	1,912,795
Operating income	1,876,076	1,593,994	1,092,160
Other income (expense):			
Interest income	128,874	113,520	77,302
Foreign currency gains (losses)	7,847	(20,599)	26,434
Other income	1,738	8,486	4,460
Total other income (expense)	138,459	101,407	108,196
Income before income taxes	2,014,535	1,695,401	1,200,356
Income tax provision (benefit):			
Current	268,102	373,608	250,446
Deferred	82,546	(89,643)	(339,726)
Total income tax provision (benefit)	350,648	283,965	(89,280)
Net income	$ 1,663,887	$ 1,411,436	$ 1,289,636
Basic net income per share	$ 8.65	$ 7.35	$ 6.74
Diluted net income per share	$ 8.59	$ 7.30	$ 6.71

See accompanying notes.

Garmin Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
(USD in thousands)

	Fiscal Year Ended		
	December 27, 2025	December 28, 2024	December 30, 2023
Net income	$ 1,663,887	$ 1,411,436	$ 1,289,636
Foreign currency translation adjustment	135,969	(105,358)	14,473
Change in fair value of available-for-sale marketable securities, net of deferred taxes	31,914	23,734	34,446
Comprehensive income	$ 1,831,770	$ 1,329,812	$ 1,338,555

See accompanying notes.

Garmin Ltd. and Subsidiaries
Consolidated Balance Sheets
(USD in thousands)

	December 27, 2025	December 28, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 2,278,646	$ 2,079,468
Marketable securities	459,202	421,270
Accounts receivable, less allowance for doubtful accounts of $9,191 in 2025 and $8,644 in 2024	1,253,015	983,404
Inventories	1,772,257	1,473,978
Deferred costs	17,538	24,040
Prepaid expenses and other current assets	467,558	353,993
Total current assets	6,248,216	5,336,153
Property and equipment, net	1,375,348	1,236,884
Operating lease right-of-use assets	196,183	164,656
Noncurrent marketable securities	1,396,929	1,198,331
Deferred income tax assets	718,094	822,521
Noncurrent deferred costs	4,373	6,898
Goodwill	760,241	603,947
Other intangible assets, net	198,362	154,163
Other noncurrent assets	95,923	106,974
Total assets	$ 10,993,669	$ 9,630,527
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 347,493	$ 359,365
Salaries and benefits payable	228,267	210,879
Accrued warranty costs	72,921	62,473
Accrued sales program costs	153,193	108,492
Other accrued expenses	257,651	216,721
Deferred revenue	105,646	110,997
Income taxes payable	381,549	294,582
Dividend payable	173,351	144,349
Total current liabilities	1,720,071	1,507,858
Deferred income tax liabilities	109,701	103,274
Noncurrent income taxes payable	3,596	7,014
Noncurrent deferred revenue	22,277	28,321
Noncurrent operating lease liabilities	164,835	134,886
Other noncurrent liabilities	625	776
Stockholders' equity:		
Common shares, $0.10 par value (194,901 and 194,901 shares authorized and issued;192,620 and 192,468 shares outstanding)	19,490	19,490
Additional paid-in capital	2,368,670	2,247,484
Treasury shares (2,281 and 2,433 shares)	(406,423)	(270,521)
Retained earnings	6,970,182	5,999,183
Accumulated other comprehensive income (loss)	20,645	(147,238)
Total stockholders' equity	8,972,564	7,848,398
Total liabilities and stockholders' equity	$ 10,993,669	$ 9,630,527

See accompanying notes.

Garmin Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
(USD in thousands)

	Fiscal Year Ended		
	December 27, 2025	December 28, 2024	December 30, 2023
Operating Activities:			
Net income	$ 1,663,887	$ 1,411,436	$ 1,289,636
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	152,611	140,494	132,347
Amortization	36,148	39,241	45,225
Loss (gain) on sale or disposal of property and equipment	881	(4,903)	215
Unrealized foreign currency (gains) losses	(36,170)	26,889	(25,541)
Deferred income taxes	82,546	(88,137)	(340,774)
Stock compensation expense	166,003	137,162	101,422
Realized losses on marketable securities	899	8	62
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable, net of allowance for doubtful accounts	(222,809)	(196,256)	(129,120)
Inventories	(218,063)	(178,815)	244,506
Other current and noncurrent assets	1,921	(42,130)	7,887
Accounts payable	(30,518)	120,637	28,503
Other current and noncurrent liabilities	85,206	24,546	52,188
Deferred revenue	(11,843)	2,223	10,411
Deferred costs	9,092	(3,615)	(2,661)
Income taxes	(46,432)	43,691	(38,041)
Net cash provided by operating activities	1,633,359	1,432,471	1,376,265
Investing activities:			
Purchases of property and equipment	(270,446)	(193,571)	(193,524)
Purchase of marketable securities	(839,852)	(507,518)	(170,681)
Redemption of marketable securities	640,396	309,166	183,372
Acquisitions, net of cash acquired	(175,655)	(16,444)	(150,853)
Other investing activities, net	322	15,034	(1,286)
Net cash used in investing activities	(645,235)	(393,333)	(332,972)
Financing activities:			
Dividends	(663,885)	(572,355)	(558,769)
Proceeds from issuance of treasury shares related to equity awards	58,009	49,963	44,063
Purchase of treasury shares related to equity awards	(57,194)	(42,117)	(22,815)
Purchase of treasury shares under share repurchase plan	(181,011)	(62,348)	(98,988)
Net cash used in financing activities	(844,081)	(626,857)	(636,509)
Effect of exchange rate changes on cash and cash equivalents	55,163	(26,283)	7,460
Net increase in cash, cash equivalents, and restricted cash	199,206	385,998	414,244
Cash, cash equivalents, and restricted cash at beginning of year	2,080,154	1,694,156	1,279,912
Cash, cash equivalents, and restricted cash at end of year	$ 2,279,360	$ 2,080,154	$ 1,694,156

See accompanying notes.

Garmin Ltd. and Subsidiaries
Consolidated Statements of Cash Flows (continued)
(USD in thousands)

	Fiscal Year Ended		
	December 27, 2025	December 28, 2024	December 30, 2023
Supplemental disclosure of non-cash investing and financing activities			
Decrease in accrued capital expenditures related to purchases of property and equipment	$ (1,687)	$ (2,900)	$ (634)
Change in marketable securities related to unrealized appreciation	$ 42,598	$ 31,308	$ 45,506
Fair value of assets acquired	$ 214,217	$ 27,896	$ 189,341
Fair value of liabilities assumed	(32,656)	(5,442)	(37,436)
Less: cash acquired	(5,906)	(6,010)	(1,052)
Cash paid for acquisitions, net of cash acquired	$ 175,655	$ 16,444	$ 150,853

See accompanying notes.

Garmin Ltd. and Subsidiaries
Consolidated Statements of Stockholders' Equity
(USD in thousands)

	Common Shares	Additional Paid-In Capital	Treasury Shares	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2022	$ 17,979	$2,042,472	$(475,095)	$4,733,517	$ (114,533)	$6,204,340
Net income	—	—	—	1,289,636	—	1,289,636
Translation adjustment	—	—	—	—	14,473	14,473
Adjustment related to unrealized gains (losses) on available-for-sale securities net of income tax effects of $11,060	—	—	—	—	34,446	34,446
Comprehensive income						1,338,555
Dividends	—	—	—	(559,036)	—	(559,036)
Issuance of treasury shares related to equity awards	—	(16,580)	60,643	—	—	44,063
Stock compensation	—	101,422	—	—	—	101,422
Purchase of treasury shares related to equity awards	—	—	(22,815)	—	—	(22,815)
Purchase of treasury shares under share repurchase plan, including any associated excise tax	—	—	(94,469)	—	—	(94,469)
Cancellation of treasury shares	(238)	—	200,827	(200,589)	—	—
Share capital currency change	1,847	(1,847)	—	—	—	—
Balance at December 30, 2023	$ 19,588	$2,125,467	$(330,909)	$5,263,528	$ (65,614)	$7,012,060
Net income	—	—	—	1,411,436	—	1,411,436
Translation adjustment	—	—	—	—	(105,358)	(105,358)
Adjustment related to unrealized gains (losses) on available-for-sale securities net of income tax effects of $7,573	—	—	—	—	23,734	23,734
Comprehensive income						1,329,812
Dividends	—	—	—	(576,706)	—	(576,706)
Issuance of treasury shares related to equity awards	—	(15,145)	65,108	—	—	49,963
Stock compensation	—	137,162	—	—	—	137,162
Purchase of treasury shares related to equity awards	—	—	(42,117)	—	—	(42,117)
Purchase of treasury shares under share repurchase plan, including any associated excise tax	—	—	(61,776)	—	—	(61,776)
Cancellation of treasury shares	(98)	—	99,173	(99,075)	—	—
Balance at December 28, 2024	$ 19,490	$2,247,484	$(270,521)	$5,999,183	$ (147,238)	$7,848,398
Net income	—	—	—	1,663,887	—	1,663,887
Translation adjustment	—	—	—	—	135,969	135,969
Adjustment related to unrealized gains (losses) on available-for-sale securities net of income tax effects of $10,685	—	—	—	—	31,914	31,914
Comprehensive income						1,831,770
Dividends	—	—	—	(692,888)	—	(692,888)
Issuance of treasury shares related to equity awards	—	(44,817)	102,826	—	—	58,009
Stock compensation	—	166,003	—	—	—	166,003
Purchase of treasury shares related to equity awards	—	—	(57,194)	—	—	(57,194)
Purchase of treasury shares under share repurchase plan, including any associated excise tax	—	—	(181,534)	—	—	(181,534)
Balance at December 27, 2025	$ 19,490	$2,368,670	$(406,423)	$6,970,182	$ 20,645	$8,972,564

See accompanying notes.

1. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

Garmin Ltd. and its subsidiaries (collectively, the Company or Garmin) design, develop, manufacture, market, and distribute a diverse family of Global Positioning System (GPS)-enabled products and other navigation, communications, sensor-based and information products and services. Garmin Corporation is primarily responsible for manufacturing and distribution of many products to other subsidiaries of the Company and, to a lesser extent, new product development and sales and marketing of the Company's products in Asia, which is part of the Company's Asia Pacific and Australian Continent (APAC) region. Garmin International, Inc. (Garmin International) is primarily responsible for sales and marketing of products in the Company's Americas region, which includes North America and South America, and for most of the Company's research and new product development. Garmin International also manufactures products for the Company's aviation and auto OEM segments. Garmin (Europe) Ltd. is primarily responsible for sales and marketing of the Company's products in Europe, the Middle East and Africa (EMEA), with many of these sales made to other Company-owned distributors in the EMEA region.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The accompanying consolidated financial statements reflect the accounts of Garmin Ltd. and its wholly-owned subsidiaries. Intercompany balances and transactions have been eliminated.

Changes in Classification and Allocation

As previously disclosed, beginning in the first quarter of fiscal 2024, the Company changed the presentation of operating expense to include advertising expense within selling, general and administrative expenses on the Company's consolidated statements of income, which management believes to be a more meaningful presentation. The Company continued this presentation of operating expense in the current period. Results for the 52-week period ended December 30, 2023 were recast to conform to this presentation. This change had no effect on the Company's consolidated operating or net income.

Fiscal Year

The Company's fiscal year is based on a 52- or 53-week period ending on the last Saturday of the calendar year. Due to the fact that there are not exactly 52 weeks in a calendar year, the Company will have a fiscal year comprising 53 weeks in certain fiscal years, as determined by when the last Saturday of the calendar year occurs.

In those resulting fiscal years that have 53 weeks, the Company will record an extra week of sales, costs, and related financial activity. Therefore, the financial results of those 53-week fiscal years, and the associated 14-week fourth quarters, will not be entirely comparable to the prior and subsequent 52-week fiscal years and the associated 13-week quarters. Fiscal years 2025, 2024, and 2023 each included 52 weeks.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Foreign Currency

Many Garmin Ltd. subsidiaries utilize a currency other than the United States Dollar (USD) as their functional currency. As required by Accounting Standards Codification (ASC) Topic 830, *Foreign Currency Matters*, the financial statements of these subsidiaries for all periods presented have been translated into USD, the functional currency of Garmin Ltd., and the reporting currency herein, for purposes of consolidation at rates prevailing during the year for sales, costs, and expenses and at end-of-year rates for all assets and liabilities. The effect of this translation is recorded in a separate component of stockholders' equity. Cumulative currency translation adjustments of $19,103 and $(116,866) as of December 27, 2025 and December 28, 2024, respectively, have been included in accumulated other comprehensive income (loss) in the accompanying consolidated balance sheets.

Transactions in foreign currencies are recorded at the approximate rate of exchange at the transaction date. Assets and liabilities resulting from these transactions are translated at the rate of exchange in effect at the balance sheet date. The majority of the Company's consolidated foreign currency gain or loss is typically driven by the significant cash, receivables, and payables held in a currency other than the functional currency at a given legal entity. Net foreign currency gains recorded in results of operations were $7,847 for the year ended December 27, 2025, net foreign currency losses recorded in results of operations were $20,599 for the year ended December 28, 2024, and net foreign currency gains recorded in results of operations were $26,434 for the year ended December 30, 2023. The gain in fiscal 2025 was primarily due to the U.S. Dollar weakening against the Euro and Polish Zloty, partially offset by the U.S. Dollar weakening against the Swiss Franc and Taiwan Dollar. The loss in fiscal 2024 was primarily due to the U.S. Dollar strengthening against the Euro, Polish Zloty and Australian Dollar, partially offset by the U.S. Dollar strengthening against the Taiwan Dollar. The gain in fiscal 2023 was primarily due to the U.S. Dollar weakening against the Polish Zloty and Euro, partially offset by the U.S. Dollar weakening at times during the year against the Taiwan Dollar.

Garmin Corporation, one of the Company's principal subsidiaries, is located in Taiwan. The Taiwan Foreign Exchange Control Statute (the Statute), and regulations thereunder, provides that all foreign exchange transactions must be executed by banks designated to handle such business by the Ministry of Finance of Taiwan and by the Central Bank of the Republic of China (Taiwan), also referred to as the CBC. Current regulations favor trade-related foreign exchange transactions, so the Statute does not impose any significant restrictions on import or export activities involving foreign currencies in Taiwan. Non-trade related currency exchanges exceeding $50 million, or its equivalent, in a calendar year require approval of the CBC.

Revenue Recognition

The Company recognizes revenue upon the transfer of control of promised products or services to the customer in an amount that depicts the consideration to which the Company expects to be entitled for the related products or services. For the large majority of the Company's sales, transfer of control occurs once product has shipped and title and risk of loss have transferred to the customer.

The Company offers certain tangible products with ongoing services promised over a period of time. When such services have been identified as both capable of being distinct and separately identifiable from the related tangible product, the associated revenue allocated to such services is recognized over time. These ongoing services primarily consist of the Company's contractual promises to provide map update services to customers that use its navigation products. The Company generally does not offer specified or unspecified upgrade rights to its customers in connection with software sales.

The Company allocates revenue to all performance obligations associated with tangible products containing separately identifiable ongoing services based on the respective performance obligations' relative standalone selling prices (SSP), with the amounts allocated to ongoing services deferred and recognized over the contractual service period or estimated life of the product.

Additionally, the Company has offered certain other products and services with ongoing performance obligations for which the associated revenue is recognized over the contractual service period (typically ranging from 1 month to 3 years), including aviation database and other service subscriptions, incremental navigation and communication service subscriptions, premium content subscriptions delivered through mobile applications, and extended warranties.

The Company records revenue net of sales tax or value-added tax and variable consideration such as trade discounts and customer returns. Payment is due typically within 90 days or less of shipment of product or upon the initiation of a service or subscription period. The Company records estimated reductions to revenue in the form of variable consideration for returns and customer sales programs including rebates, price protection, promotions, and other volume-based incentives. Cooperative advertising incentives payable to dealers and distributors are recorded as reductions of revenue unless the Company obtains proof of a distinct advertising service, in which case the incentive is recorded as advertising expense. The reductions to revenue are based on estimates and judgments using historical experience and expectation of future conditions, if not otherwise determinable.

Shipping and Handling Costs

Shipping and handling activities are typically performed before the customer obtains control of the good, and the related costs are expensed at the approximate time of sale. Shipping and handling costs are included in cost of goods sold in the accompanying consolidated statements of income.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense amounted to approximately $228,543, $191,585, and $173,109 for the years ended December 27, 2025, December 28, 2024, and December 30, 2023, respectively, and is included within selling, general and administrative expenses in the accompanying consolidated statements of income.

Software Development Costs

ASC Topic 985-20, *Software – Costs of Software to Be Sold, Leased, or Marketed*, requires companies to expense software development costs as they incur them until technological feasibility has been established, at which time those costs are subject to capitalization until the product is available for general release to customers. Costs incurred by the Company subsequent to achievement of technological feasibility are generally not significant, as the time elapsed from working model to release is typically short. As required by ASC Topic 730, *Research and Development*, costs incurred to enhance the Company's existing products or after the general release of the service using the product are expensed in the period they are incurred and included in research and development costs in the accompanying consolidated statements of income.

Accounting for Stock Compensation

The Company currently sponsors three employee stock compensation plans. ASC Topic 718, *Compensation – Stock Compensation*, requires the measurement and recognition of compensation expenses for all share-based payment awards made to employees and directors, including employee stock options and restricted stock units, based on estimated fair values.

The Company estimates the fair value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as stock compensation expense over the requisite service period in the Company's consolidated statements of income.

As stock compensation expense recognized in the accompanying consolidated statements of income is based on awards ultimately expected to vest, it is net of estimated and actual forfeitures. Accounting guidance requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures were estimated based on historical experience.

Excess tax benefits or deficiencies from stock compensation are recognized in the income tax provision and recorded as discrete tax items in the period in which they occur. Excess income tax benefits from stock compensation arrangements are classified as a cash flow from operations.

Stock compensation plans are discussed in more detail in Note 10 – Employee Stock Compensation and Savings Plans of the Notes to Consolidated Financial Statements.

Research and Development

Research and development costs, which are typically expensed as incurred, amounted to approximately $1,126,231, $993,601, and $904,696 for the years ended December 27, 2025, December 28, 2024, and December 30, 2023, respectively.

Preproduction Costs Related to Long-Term Supply Arrangements

Preproduction design and development costs related to long-term supply arrangements are expensed as incurred, and classified as research and development, unless the customer has provided a contractual guarantee for reimbursement of such costs. Contractually reimbursable costs are capitalized as incurred in the consolidated balance sheets within prepaid expenses and other current assets if reimbursement is expected to be received within one year, or within other noncurrent assets if expected to be received beyond one year. Such capitalized costs were approximately $18,190 and $18,071 as of December 27, 2025 and December 28, 2024, respectively.

Income Taxes

The Company accounts for income taxes using the liability method in accordance with ASC Topic 740, *Income Taxes*. The liability method provides that deferred tax assets and liabilities are recorded based on the difference between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes as measured based on the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

The Company accounts for uncertainty in income taxes in accordance with ASC Topic 740. The Company recognizes liabilities based on its estimate of whether, and the extent to which, additional taxes will be due. If payment of these amounts ultimately proves not to be required, the reversal of the liabilities results in tax benefits being recognized in the period when the Company determines the liabilities are no longer necessary. If the Company's estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to expense would result.

Income taxes are discussed in more detail in Note 5 – Income Taxes of the Notes to Consolidated Financial Statements.

Earnings Per Share

Basic earnings per share amounts are computed based on the weighted-average number of common shares outstanding. For purposes of diluted earnings per share, the number of shares that would be issued from the exercise of dilutive share-based compensation awards has been reduced by the number of shares that could have been purchased from the proceeds of the exercise or release at the average market price of the Company's shares during the period the awards were outstanding. See Note 3 – Earnings Per Share of the Notes to Consolidated Financial Statements for additional information.

Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents include cash on hand, operating accounts, money market funds, deposits readily convertible to known amounts of cash, and securities with maturities of three months or less when purchased. The carrying amount of cash and cash equivalents approximates fair value, given the short maturity of those instruments. Restricted cash is reported within other noncurrent assets on the accompanying consolidated balance sheets. See Note 7 – Commitments and Contingencies of the Notes to Consolidated Financial Statements for additional information on restricted cash.

The total of the cash and cash equivalents balance and the restricted cash reported within other noncurrent assets on the consolidated balance sheets is equal to the total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows.

Marketable Securities

Management determines the appropriate classification of marketable securities at the time of purchase and reevaluates such designation as of each balance sheet date.

All of the Company's marketable securities were considered available-for-sale at December 27, 2025. Available-for-sale securities are stated at fair value, with the unrealized gains and losses, net of tax, reported in accumulated other comprehensive income (loss) on the Company's consolidated balance sheets. At December 27, 2025, cumulative unrealized net gains of $1,542 were reported in accumulated other comprehensive income (loss), net of related taxes. At December 28, 2024, cumulative unrealized losses of $30,372 were reported in accumulated other comprehensive income (loss), net of related taxes.

The Company recognizes impairments relating to credit losses of available-for-sale securities through an allowance for credit losses and other income (expense) on the Company's consolidated statements of income. Impairment not relating to credit losses is recorded in accumulated other comprehensive income (loss) on the Company's consolidated balance sheets.

Testing for impairment of investments requires management judgment. The identification of potentially impaired investments, the determination of their fair value, and the assessment of whether any decline in value is related to credit losses are the primary elements of the assessment that require judgment. The discovery of new information and the passage of time can change these judgments. Revisions of impairment judgments are made when new information becomes known, and any resulting impairment adjustments are made at that time. The economic environment and volatility of securities markets increase the difficulty of assessing investment impairment.

In making this assessment management evaluates the extent to which the fair value is less than the amortized cost basis, any change in credit rating of the security, adverse conditions specifically related to the security, failure of the issuer to make scheduled payments, and other relevant factors affecting the security. If it is determined that a credit loss exists, the amount of the credit loss is determined by comparing the present value of the expected future cash flows for the security to the amortized cost basis of the security, limited by the amount the fair value is less than the amortized cost basis.

The amortized cost of debt securities classified as available-for-sale is adjusted for amortization of premiums and accretion of discounts to maturity, or in the case of mortgage-backed securities, over the estimated life of the security. Such amortization and realized gains/losses are recorded within interest income and other income (expense), respectively, on the Company's consolidated statements of income. The cost of securities sold is based on the specific identification method.

Marketable securities are discussed in more detail in Note 4 – Marketable Securities of the Notes to Consolidated Financial Statements.

Fair Value of Financial Instruments

As required by ASC Topic 825, *Financial Instruments*, the following summarizes required information about the fair value of certain financial instruments for which it is currently practicable to estimate such value. None of the financial instruments are held or issued for trading purposes. The carrying amounts and fair values of the Company's financial instruments are as follows:

	December 27, 2025		December 28, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	$ 2,278,646	$ 2,278,646	$ 2,079,468	$ 2,079,468
Marketable securities	$ 1,856,131	$ 1,856,131	$ 1,619,601	$ 1,619,601

For certain of the Company's other financial instruments, including accounts receivable, accounts payable and other accrued liabilities, the carrying amounts approximate fair value due to their short maturities.

Trade Accounts Receivable

The Company sells its products to retailers, dealers, distributors, OEMs, and other customers and grants credit to certain customers based on its evaluation of customers' financial condition. Generally, the Company does not require security when trade credit is granted to customers. The Company’s trade accounts receivable are carried at net realizable value, typically are collected within 90 days, and do not bear interest. Certain customers are allowed extended terms consistent with normal industry practice. Credit losses are provided for in the Company’s consolidated financial statements and typically have been within management’s expectations. Past due receivable balances are typically written off when internal collection efforts have been unsuccessful in collecting the amount due. The Company maintains trade credit insurance to provide some security against certain losses within policy limits.

Concentration of Credit Risk

The Company’s top ten customers have contributed between approximately 20% and 25% of net sales annually since 2023. None of the Company’s customers individually accounted for 10% or more of consolidated net sales in the years ended December 27, 2025, December 28, 2024, and December 30, 2023.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost includes materials, labor, and manufacturing overhead associated with purchases and production and is determined on a first-in, first-out (FIFO) basis. The Company writes down its inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and the estimated net realizable value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required. The details of inventories consisted of the following:

	December 27, 2025	December 28, 2024
Raw materials	$ 618,228	$ 522,210
Work-in-process	259,011	219,294
Finished goods	895,018	732,474
Inventories	$ 1,772,257	$ 1,473,978

Deferred Revenues and Costs

At December 27, 2025 and December 28, 2024, the Company had deferred revenues totaling $127,923 and $139,318, respectively, and related deferred costs totaling $21,911 and $30,938, respectively.

Deferred revenue consists primarily of the transaction price allocated to performance obligations that are recognized over a period of time basis as discussed in the *Revenue Recognition* portion of this footnote. Deferred costs primarily refer to the license fees incurred by the Company associated with the aforementioned unsatisfied performance obligations, which are amortized over the same period as the revenue is recognized. The Company typically pays the associated license fees either monthly or quarterly in arrears, on a per item shipped or delivered basis.

The Company applies a practical expedient, as permitted within ASC Topic 340, *Other Assets and Deferred Costs*, to expense as incurred the incremental costs to obtain a contract when the amortization period of the asset that would have otherwise been recognized is one year or less.

Property and Equipment

Property and equipment is recorded at cost and typically depreciated using the straight-line method. The components of property and equipment were as follows and are generally depreciated over the following estimated useful lives:

	Estimated Useful Life	December 27, 2025	December 28, 2024
Land		$ 191,901	$ 184,884
Building and improvements	15 to 50 years	1,110,125	982,494
Machinery, equipment and software	3 to 10 years	1,365,572	1,208,662
Total, at cost		2,667,598	2,376,040
Accumulated depreciation		(1,292,250)	(1,139,156)
Property and equipment, net		$ 1,375,348	$ 1,236,884

As required by ASC Topic 360, *Property, Plant and Equipment*, the Company reviews long-lived assets, including property and equipment, for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be fully recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. That assessment is based on the carrying amount of the asset at the date it is tested for recoverability. An impairment loss is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value. The Company did not recognize any material long-lived asset impairment charges in the fiscal years of 2025, 2024, or 2023.

Goodwill and Other Intangible Assets

The amount of excess purchase cost over fair value of net assets acquired in a business combination is recorded as goodwill and represents the future economic benefit arising from other assets acquired that were not individually and separately recognized. Goodwill was $760,241 at December 27, 2025, and $603,947 at December 28, 2024. Each of the Company's operating segments (fitness, outdoor, aviation, marine, and auto OEM) represents a distinct reporting unit. The Company allocates goodwill to reporting units in proportion to the expected benefit from each business combination. Changes in the carrying amount of goodwill for the years ended December 27, 2025 and December 28, 2024 are as follows:

	Fitness	Outdoor	Aviation	Marine	Auto OEM	Total
Goodwill balance as of December 30, 2023	$ 250,380	$ 179,744	$ 60,347	$ 118,003	$ —	$ 608,474
Acquisitions	—	—	—	12,281	—	12,281
Foreign currency translation and other adjustments	(11,417)	(2,747)	—	(2,644)	—	(16,808)
Goodwill balance as of December 28, 2024	$ 238,963	$ 176,997	$ 60,347	$ 127,640	$ —	$ 603,947
Acquisitions	117,003	—	—	2,539	—	119,542
Foreign currency translation and other adjustments	26,449	5,956	—	4,347	—	36,752
Goodwill balance as of December 27, 2025	$ 382,415	$ 182,953	$ 60,347	$ 134,526	$ —	$ 760,241

ASC Topic 350, *Intangibles – Goodwill and Other*, requires that goodwill and intangible assets with indefinite useful lives should not be amortized but rather be assessed for impairment at least annually or sooner whenever events or changes in circumstances indicate that they may be impaired. The Company performs its annual impairment assessments of goodwill and indefinite-lived intangible assets, if any, in the fourth quarter of each year, as of the Company's fiscal year end date, and between annual tests if an event occurs or circumstances change that would indicate it is more likely than not that they may be impaired.

ASC Topic 350 allows management to first perform a qualitative goodwill assessment by assessing the qualitative factors of relevant events and circumstances at the reporting unit level to determine if it is necessary to perform the quantitative goodwill impairment test. If factors indicate that it is more likely than not that the fair value of the reporting unit is less than the carrying amount, then the quantitative test will be performed. If the fair value of the reporting unit is less than the carrying amount, then a goodwill impairment charge will be recognized in the amount by which carrying amount exceeds fair value, limited to the total amount of goodwill allocated to that reporting unit.

Application of the goodwill impairment test requires judgment, including the identification of reporting units and assignment of assets and liabilities to reporting units. If a quantitative impairment test is performed, the fair value of each reporting unit is estimated through the use of a discounted cash flow methodology, which also requires judgment and assumptions, including discount rate, projected future revenues, projected future operating margins, and terminal growth rates. The estimates used to calculate the fair value of a reporting unit change from year to year based on operating results, market conditions, and other factors.

Management concluded that no goodwill associated with any reporting unit is currently at risk of impairment based on qualitative assessments performed in 2025. The Company did not recognize any material goodwill or intangible asset impairment charges in fiscal years 2025, 2024, or 2023.

At December 27, 2025, and December 28, 2024, the Company had intellectual property, customer related intangibles, and other identifiable finite-lived intangible assets recorded at a cost of $606,377 and $543,397, respectively. Identifiable, finite-lived intangible assets are amortized over their estimated useful lives on a straight-line basis typically over three to twelve years. Accumulated amortization was $408,015 and $389,234 at December 27, 2025 and December 28, 2024, respectively. Amortization expense on these intangible assets was $32,368, $30,666, and $30,513 for the years ended December 27, 2025, December 28, 2024, and December 30, 2023, respectively. In the next five years, the amortization expense related to intangible assets held as of December 27, 2025 is estimated to be $32,725, $29,303, $24,042, $21,054, and $16,493, respectively. The Company also reviews finite-lived intangible assets for impairment in accordance with ASC Topic 360, as described above, whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be fully recoverable.

Leases

The Company leases certain real estate properties, vehicles, and equipment in various countries around the world. Leased properties are typically used for office space, distribution, and retail. The Company's leases are classified as operating leases with remaining terms of 1 to 30 years, some of which include an option to extend or renew. If the exercise of an option to extend or renew is determined to be reasonably certain, the associated right-of-use asset and lease liability reflects the extended period and payments. For newly signed leases, the right-of-use asset and lease liability is recognized on lease commencement date. Variable lease costs, such as future adjustments to payments based on consumer price indices, are excluded in the recognition of right-of-use assets and lease liabilities. For all real estate leases, any non-lease components, including common area maintenance, have been separated from lease components and excluded from the associated right-of-use asset and lease liability calculations. For all equipment and vehicle leases, an accounting policy election has been made to not separate lease and non-lease components.

Leases with an initial term of 12 months or less ("short-term leases") are not recognized on the Company's consolidated balance sheets as a right-of-use asset or lease liability.

Product Warranty

The Company accrues for estimated future warranty costs at the time products are sold. The Company provides standard warranties to its retail partners and end-users. The standard warranty generally provides for products to be free from defects in materials or workmanship, and the warranty period is generally one to two years from the date of shipment, while certain aviation, marine, and auto OEM products have a standard warranty period of two years or more from the date of installation. The Company's estimates of costs to service its warranty obligations are based on historical experience and management's expectations and judgments of future conditions, with most claims resolved within a year of the sale. The following reconciliation presents details of the changes in the Company's accrued warranty costs:

	Fiscal Year Ended		
	December 27, 2025	December 28, 2024	December 30, 2023
Balance - beginning of period	$ 62,473	$ 55,738	$ 50,952
Accrual for products sold [1]	106,708	89,804	79,637
Expenditures	(96,260)	(83,069)	(74,851)
Balance - end of period	$ 72,921	$ 62,473	$ 55,738

[1] Changes in cost estimates related to pre-existing warranties were not material and aggregated with accruals for new warranty contracts in the ‘accrual for products sold’ line.

Contingencies

In the normal course of business, the Company and its subsidiaries are parties to various legal claims, investigations and complaints, including matters alleging patent infringement and other intellectual property claims. The Company evaluates, on a quarterly and annual basis, developments in legal proceedings, investigations, claims, and other loss contingencies that could affect any required accrual or disclosure or estimate of reasonably possible loss or range of loss. An estimated loss from a loss contingency is accrued by a charge to income if it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. If a range of loss is estimated, and some amount within that range appears to be a better estimate than any other amount within that range, then that amount is accrued. If no amount within the range can be identified as a better estimate than any other amount, the Company accrues the minimum amount in the range.

If an outcome unfavorable to the Company is determined to be probable, but the amount of loss cannot be reasonably estimated or is determined to be reasonably possible, but not probable, the Company discloses the nature of the contingency and an estimate of the possible loss or range of loss or a statement that such an estimate cannot be made. The Company’s aggregate range of reasonably possible losses includes (1) matters where a liability has been accrued and there is a reasonably possible loss in excess of the amount accrued for that liability, and (2) matters where a loss is believed to be reasonably possible, but not probable, and a liability therefore has not been accrued. This aggregate range only represents the Company’s estimate of reasonably possible losses and does not represent the Company’s maximum loss exposure. The assessment regarding whether a loss is probable or reasonably possible, and whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events. In assessing the probability of an outcome in a lawsuit, claim or assessment that could be unfavorable to the Company, the Company considers the following factors, among others: (a) the nature of the litigation, claim, or assessment; (b) the progress of the case; (c) the opinions or views of legal counsel and other advisers; (d) the Company’s experience in similar cases; (e) the experience of other entities in similar cases; and (f) how the Company intends to respond to the lawsuit, claim, or assessment. Costs incurred in defending lawsuits, claims or assessments are expensed as incurred.

See Note 7 – Commitments and Contingencies of the Notes to Consolidated Financial Statements for additional information on contingencies.

Recently Adopted Accounting Standards

Income Taxes

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”) to enhance the transparency and decision usefulness of income tax disclosures, primarily related to the income tax rate reconciliation and income taxes paid. ASU 2023-09 requires the Company to disclose specified additional information in its income tax rate reconciliation, provide additional information for certain reconciling items, and disaggregate its disclosure of income taxes paid for Switzerland federal, Switzerland cantonal and foreign taxes, with further disaggregation required for significant individual jurisdictions. The Company has adopted the new standard using a retrospective approach, recasting prior year disclosures to conform to current year presentation. See Note 5 – Income Taxes of the Notes to Consolidated Financial Statements.

Recently Issued Accounting Pronouncements Not Yet Adopted

Disaggregation of Income Statement Expenses

In November 2024, FASB issued Accounting Standards Update No. 2024-03, Income Statement–Reporting Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses ("ASU 2024-03"), which requires additional disaggregated disclosures in the notes to financial statements for certain categories of expenses that are included in the expense captions on the face of the statements of income, on an interim and annual basis. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The amendments may be applied using either a prospective or retrospective approach. The Company is currently evaluating the impact that the updated standard will have on its financial statement disclosures.

2. Revenue

In order to further depict how the nature, amount, timing and uncertainty of the Company's revenue and cash flows are affected by economic factors, Garmin disaggregates revenue (or "net sales") by geographic region, major product category, and pattern of recognition.

Disaggregated revenue by geographic region (Americas, EMEA, and APAC) is presented in Note 11 – Segment Information and Geographic Data. Note 11 also contains disaggregated revenue information of the five major product categories identified by the Company (fitness, outdoor, aviation, marine, and auto OEM), which also represent the Company's operating segments.

A large majority of the Company's revenue is recognized on a point in time basis, usually once the product is shipped and title and risk of loss have transferred to the customer. Revenue recognized over time is primarily within the outdoor, aviation, and auto OEM segments and relates to performance obligations that are satisfied over the estimated life of the product or contractual service period. Revenue disaggregated by pattern of recognition, based on the timing of transfer of the goods or services, is presented in the table below:

	Fiscal Year Ended		
	December 27, 2025	December 28, 2024	December 30, 2023
Point in time	$ 6,910,894	$ 5,968,124	$ 4,938,479
Over time	334,625	328,779	289,773
Net sales	$ 7,245,519	$ 6,296,903	$ 5,228,252

Transaction price and costs associated with the Company's unsatisfied performance obligations are reflected as deferred revenue and deferred costs, respectively, on the Company's consolidated balance sheets. Such amounts are recognized ratably over the applicable estimated useful life or contractual service period. Changes in deferred revenue and costs during the 52-week periods ending December 27, 2025 and December 28, 2024 are presented below:

	Fiscal Year Ended			
	December 27, 2025		December 28, 2024	
	Deferred Revenue (1)	Deferred Costs (2)	Deferred Revenue (1)	Deferred Costs (2)
Balance, beginning of period	$ 139,318	$ 30,938	$ 137,337	$ 27,373
Deferrals in period	323,230	61,957	330,760	65,111
Recognition of deferrals in period	(334,625)	(70,984)	(328,779)	(61,546)
Balance, end of period	$ 127,923	$ 21,911	$ 139,318	$ 30,938

(1) Deferred revenue is comprised of both deferred revenue and noncurrent deferred revenue per the consolidated balance sheets.
(2) Deferred costs are comprised of both deferred costs and noncurrent deferred costs per the consolidated balance sheets.

Of the $334,625 of deferred revenue recognized in the 52-weeks ended December 27, 2025, approximately $93,000 was deferred as of the beginning of the period. Of the $328,779 of deferred revenue recognized in the 52-weeks ended December 28, 2024, $92,093 was deferred as of the beginning of the period. Of the $127,923 of deferred revenue as of December 27, 2025, the Company expects to recognize approximately 87% ratably over a total period of three years or less.

3. Earnings Per Share

The following table sets forth the computation of basic and diluted net income per share. Stock options, stock appreciation rights, and restricted stock units are collectively referred to as "equity awards". There were no anti-dilutive equity awards excluded from the calculation of diluted net income per share for the periods presented below.

	Fiscal Year Ended		
	December 27, 2025	December 28, 2024	December 30, 2023
Numerator:			
Numerator for basic and diluted net income per share - net income	$ 1,663,887	$ 1,411,436	$ 1,289,636
Denominator (in thousands):			
Denominator for basic net income per share – weighted-average common shares	192,467	192,060	191,397
Effect of dilutive equity awards	1,149	1,221	661
Denominator for diluted net income per share – adjusted weighted-average common shares	193,616	193,281	192,058
Basic net income per share	$ 8.65	$ 7.35	$ 6.74
Diluted net income per share	$ 8.59	$ 7.30	$ 6.71

4. Marketable Securities

ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The accounting guidance classifies the inputs used to measure fair value into the following hierarchy:

Level 1	Unadjusted quoted prices in active markets for the identical asset or liability
Level 2	Observable inputs for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability
Level 3	Unobservable inputs for the asset or liability

The Company endeavors to utilize the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Valuation is based on prices obtained from an independent pricing vendor using both market and income approaches. The primary inputs to the valuation include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields, and credit spreads.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Marketable securities classified as available-for-sale securities are summarized below:

	Available-For-Sale Securities as of December 27, 2025				
	Fair Value Level	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
U.S. Treasury securities	Level 2	$ 11,310	$ 54	$ (3)	$ 11,361
Agency securities	Level 2	79,794	63	(316)	79,541
Mortgage-backed securities	Level 2	86,251	567	(1,508)	85,310
Corporate debt securities	Level 2	1,454,326	12,809	(4,624)	1,462,511
Municipal securities	Level 2	217,629	675	(2,201)	216,103
Other	Level 2	1,346	—	(41)	1,305
Total		**$ 1,850,656**	**$ 14,168**	**$ (8,693)**	**$ 1,856,131**

	Available-For-Sale Securities as of December 28, 2024				
	Fair Value Level	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
U.S. Treasury securities	Level 2	$ 4,930	$ 8	$ —	$ 4,938
Agency securities	Level 2	42,236	38	(477)	41,797
Mortgage-backed securities	Level 2	43,599	—	(4,375)	39,224
Corporate debt securities	Level 2	1,281,981	1,498	(23,837)	1,259,642
Municipal securities	Level 2	281,295	21	(9,907)	271,409
Other	Level 2	2,683	1	(93)	2,591
Total		**$ 1,656,724**	**$ 1,566**	**$ (38,689)**	**$ 1,619,601**

The primary objectives of the Company’s investment policy are to preserve capital, maintain an acceptable degree of liquidity, and maximize yield within the constraint of low credit risk. The fair value of securities varies from period to period due to changes in interest rates, the performance of the underlying collateral, and the credit performance of the underlying issuer, among other factors.

Accrued interest receivable, which totaled $19,144 as of December 27, 2025, is excluded from both the fair value and amortized cost basis of available-for-sale securities and is included within prepaid expenses and other current assets on the Company’s consolidated balance sheets. The Company writes off impaired accrued interest on a timely basis, generally within 30 days of the due date, by reversing interest income. No accrued interest was written off during the 52-week period ended December 27, 2025.

The Company recognizes impairments relating to credit losses of available-for-sale securities through an allowance for credit losses and other income (expense) on the Company’s consolidated statements of income. Impairment not relating to credit losses is recorded in accumulated other comprehensive income (loss) on the Company’s consolidated balance sheets. The cost of securities sold is based on the specific identification method. Approximately 51% of securities in the Company’s portfolio were at an unrealized loss position at December 27, 2025.

The following tables display additional information regarding gross unrealized losses and fair value by major security type for available-for-sale securities in an unrealized loss position as of December 27, 2025 and December 28, 2024.

	As of December 27, 2025					
	Less than 12 Consecutive Months		12 Consecutive Months or Longer		Total	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
U.S. Treasury securities	$ (3)	$ 7,981	$ —	$ —	$ (3)	$ 7,981
Agency securities	(217)	54,089	(99)	6,900	(316)	60,989
Mortgage-backed securities	(193)	15,074	(1,315)	14,664	(1,508)	29,738
Corporate debt securities	(1,469)	222,514	(3,155)	301,363	(4,624)	523,877
Municipal securities	(193)	11,094	(2,008)	147,899	(2,201)	158,993
Other	(2)	301	(39)	1,004	(41)	1,305
Total	**$ (2,077)**	**$ 311,053**	**$ (6,616)**	**$ 471,830**	**$ (8,693)**	**$ 782,883**

	As of December 28, 2024					
	Less than 12 Consecutive Months		12 Consecutive Months or Longer		Total	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
Agency securities	$ (125)	$ 24,153	$ (352)	$ 6,647	$ (477)	$ 30,800
Mortgage-backed securities	(137)	9,803	(4,238)	29,421	(4,375)	39,224
Corporate debt securities	(4,503)	350,289	(19,334)	667,176	(23,837)	1,017,465
Municipal securities	(228)	35,001	(9,679)	226,901	(9,907)	261,902
Other	—	—	(93)	1,619	(93)	1,619
Total	**$ (4,993)**	**$ 419,246**	**$ (33,696)**	**$ 931,764**	**$ (38,689)**	**$ 1,351,010**

As of December 27, 2025 and December 28, 2024, the Company had not recognized an allowance for credit losses on any securities in an unrealized loss position.

The Company has not recorded an allowance for credit losses and charge to other income for the unrealized losses on U.S. Treasury, agency, mortgage-backed, corporate debt, municipal, and other securities presented above because the Company does not consider the declines in fair value to have resulted from credit losses. The Company has not observed a significant deterioration in credit quality of these securities, which are highly rated with moderate to low credit risk. Declines in value are largely attributable to current global economic conditions. The securities continue to make timely principal and interest payments, and the fair values are expected to recover as they approach maturity. Management does not intend to sell the securities, nor is it more likely than not that the Company will be required to sell the securities, before the respective recoveries of their amortized cost bases, which may be at maturity.

The amortized cost and fair value of marketable securities at December 27, 2025, by maturity, are shown below.

	Amortized Cost	Fair Value
Due in one year or less	$ 462,310	$ 459,202
Due after one year through five years	1,339,770	1,349,902
Due after five years through ten years	43,907	43,067
Due after ten years	4,669	3,960
Total	**$ 1,850,656**	**$ 1,856,131**

5. Income Taxes

As disclosed in Note 1 – Summary of Significant Accounting Policies, the Company adopted the requirements of ASU 2023-09 using a retrospective approach. Certain other disclosures have been recast to conform to the current period presentation, including references to Switzerland as Garmin Ltd.'s country of domicile.

The components of the Company’s income tax provision (benefit) were as follows:

	Fiscal Year Ended		
	December 27, 2025	December 28, 2024	December 30, 2023
Switzerland federal:			
Current	$ 95,959	$ 95,020	$ 88,052
Deferred	6,846	6,324	5,011
	$ 102,805	$ 101,344	$ 93,063
Switzerland canton:			
Current	$ 38,579	$ 33,764	$ 23,230
Deferred	71,157	57,231	(171,015)
	$ 109,736	$ 90,995	$ (147,785)
Foreign:			
Current	$ 133,564	$ 244,824	$ 139,164
Deferred	4,543	(153,198)	(173,722)
	$ 138,107	$ 91,626	$ (34,558)
Total	$ 350,648	$ 283,965	$ (89,280)

The Company's income tax provision (benefit) differs from the amount computed by applying the statutory federal income tax rate of Switzerland, Garmin Ltd.'s country of domicile, to income before income taxes. The sources and tax effects of the differences, including the impact of establishing tax contingency accruals, are as follows (the table may not foot due to rounding):

	Fiscal Year Ended					
	December 27, 2025		December 28, 2024		December 30, 2023	
	Amount	Percent	Amount	Percent	Amount	Percent
Federal income taxes at Switzerland statutory rate	$ 171,235	8.5%	$ 144,109	8.5%	$ 102,030	8.5%
Cantonal income taxes, net of income tax effect*	109,828	5.5%	98,753	5.8%	(150,435)	-12.5%
Foreign tax effects						
United States						
Statutory tax rate difference between the U.S. and Switzerland	31,673	1.6%	18,133	1.1%	(25,808)	-2.1%
State income taxes	(5,047)	-0.3%	(6,248)	-0.4%	(21,619)	-1.8%
Research and development tax credits	(34,507)	-1.7%	(38,227)	-2.3%	(31,849)	-2.7%
Foreign Derived Intangible Income deduction	-	0.0%	(13,751)	-0.8%	(6,432)	-0.5%
Stock compensation	(14,149)	-0.7%	(9,252)	-0.5%	(1,101)	-0.1%
Other	2,408	0.1%	5,171	0.3%	4,979	0.4%
Taiwan						
Statutory tax rate difference between Taiwan and Switzerland	27,709	1.4%	28,225	1.7%	22,563	1.9%
Withholding tax	28,117	1.4%	29,080	1.7%	23,665	2.0%
Other	(3,323)	-0.2%	(2,030)	-0.1%	12	0.0%
Luxembourg						
Statutory tax rate difference between Luxembourg and Switzerland	(25,916)	-1.3%	(24,912)	-1.5%	(12,407)	-1.0%
Gain on sale of treasury shares	42,990	2.1%	41,283	2.4%	21,295	1.8%
Other	202	0.0%	597	0.0%	581	0.0%
Poland						
Investment tax credits	-	0.0%	-	0.0%	(12,116)	-1.0%
Other	2,714	0.1%	5,547	0.3%	2,212	0.2%
United Kingdom						
Statutory tax rate difference between the United Kingdom and Switzerland	12,091	0.6%	10,884	0.6%	6,683	0.6%
Other	264	0.0%	(487)	0.0%	293	0.0%
Italy						
Statutory tax rate difference between the Italy and Switzerland	9,498	0.5%	6,182	0.4%	2,362	0.2%
Other	70	0.0%	302	0.0%	(81)	0.0%
Other foreign jurisdictions	14,767	0.7%	14,331	0.8%	6,844	0.6%
Nontaxable or nondeductible items						
Deduction for taxes	(17,967)	-0.9%	(16,169)	-1.0%	(9,574)	-0.8%
Changes in unrecognized tax benefits	(3,644)	-0.2%	(7,066)	-0.4%	(17,444)	-1.5%
Other adjustments	1,635	0.1%	(490)	0.0%	6,067	0.5%
Effective tax rate	$ 350,648	17.4%	$ 283,965	16.7%	$ (89,280)	-7.4%

*Local taxes in the canton of Schaffhausen make up the majority (greater than 50%) of the tax effect in this category.

The Company recorded income tax expense of $350,648 in the year ended December 27, 2025, representing an effective tax rate of approximately 17.4%. The Company recorded income tax expense of $283,965 in the year ended December 28, 2024, representing an effective tax rate of approximately 16.7%. The Company recorded income tax benefit of $89,280 in the year ended December 30, 2023, representing an effective tax rate of approximately (7.4)%, which included income tax benefit of $181,410 recognized by the Company in the fourth quarter of 2023 related to the revaluation of Switzerland deferred tax assets due to an increase in the Schaffhausen cantonal tax rate and income tax benefit of $12,116 recognized in the fourth quarter of 2023 related to auto OEM manufacturing tax incentives in Poland.

The Company's income before income taxes attributable to Switzerland operations was $1,401,142, $1,263,683, and $1,143,696, for the years ended December 27, 2025, December 28, 2024, and December 30, 2023, respectively. The Company's income before income taxes attributable to non-Switzerland operations was $613,393, $431,718, and $56,660, for the years ended December 27, 2025, December 28, 2024, and December 30, 2023, respectively.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	December 27, 2025	December 28, 2024
Deferred tax assets:		
Capitalized research & development expenses	$ 495,775	$ 533,252
Intangible assets	174,382	251,274
Tax credit carryforwards	31,694	29,162
Operating leases	50,450	43,170
Tax basis in excess of book basis for investments	—	13,345
Deferred revenue	17,711	15,580
Net operating losses	29,979	22,577
Accrued paid time off	17,922	16,281
Product warranty accruals	16,982	14,177
Stock compensation	23,097	17,046
Other	22,594	23,557
Valuation allowance related to loss carryforward and tax credits	(17,288)	(13,906)
	$ 863,298	$ 965,515
Deferred tax liabilities:		
Withholding tax	104,559	107,162
Property and equipment	56,183	67,006
Operating leases	49,874	42,948
Book basis in excess of tax basis for acquired entities	30,845	15,443
Prepaid and perpetual license assets	8,422	9,840
Book basis in excess of tax basis for investments	3,956	—
Other	1,066	3,869
	$ 254,905	$ 246,268
Net deferred tax assets	$ 608,393	$ 719,247

At December 27, 2025, the Company had $31,694 of tax credit carryover compared to $29,162 at December 28, 2024. At December 27, 2025, the Company had a deferred tax asset of $29,979 related to the future tax benefit of net operating loss (NOL) carryforwards of $109,662. Included in the NOL carryforwards is $8,320 that relates to various jurisdictions and expires in periods ranging from 2026 through 2039 and $101,342 that relates to various other jurisdictions and has no expiration date. The Company has recorded a valuation allowance for a portion of its deferred tax asset relating to various tax attributes that management does not believe are more likely than not to be realized. In the future, if the Company determines, based on existence of sufficient evidence, that it should realize more or less of its deferred tax assets, an adjustment to the valuation allowance will be made in the period such a determination is made.

The total amount of gross unrecognized tax benefits as of December 27, 2025 was $2,621. A reconciliation of the beginning and ending amount of gross unrecognized tax benefits for years ended December 27, 2025, December 28, 2024, and December 30, 2023 is as follows:

	December 27, 2025	December 28, 2024	December 30, 2023
Balance at beginning of year	$ 5,295	$ 13,571	$ 30,795
Additions based on tax positions related to prior years	—	—	—
Reductions based on tax positions related to prior years	—	(6,124)	(3,450)
Additions based on tax positions related to current period	—	584	450
Reductions related to settlements with tax authorities	—	—	—
Expiration of statute of limitations	(2,674)	(2,736)	(14,224)
Balance at end of year	$ 2,621	$ 5,295	$ 13,571

Unrecognized tax benefits are classified as noncurrent liabilities, except for the portion that is expected to be paid within one year of the balance sheet date. The balances of net unrecognized benefits of $2,289, $4,957, and $12,824 were classified as noncurrent at December 27, 2025, December 28, 2024, and December 30, 2023, respectively. The net unrecognized tax benefits, if recognized, would reduce the effective tax rate. None of the unrecognized tax benefits are due to uncertainty in the timing of deductibility.

Interest and penalties, if any, accrued on the unrecognized tax benefits are reflected in income tax expense. At December 27, 2025, December 28, 2024, and December 30, 2023, the Company had accrued approximately $767, $1,242, and $2,127, respectively, for interest. The interest component of the reserve decreased income tax expense for the years ending December 27, 2025, December 28, 2024, and December 30, 2023 by $475, $885, and $624, respectively. The Company did not have significant amounts accrued for penalties for the years ending December 27, 2025, December 28, 2024, and December 30, 2023.

The Company files income tax returns in Switzerland, Taiwan, United Kingdom, U.S. federal jurisdiction, as well as various states, local, and other foreign jurisdictions. In its major tax jurisdictions, Switzerland, Taiwan, United Kingdom, and U.S. federal and various states, the Company is no longer subject to income tax examinations by tax authorities, with few exceptions, for years prior to 2020, 2020, 2023, and 2022, respectively.

The Company recognized reductions of income tax expense, inclusive of interest and net of deferrals, of $3,395, $2,686, and $11,473 in fiscal years ended December 27, 2025, December 28, 2024, and December 30, 2023, respectively, to reflect the expiration of statutes of limitations and releases due to audit settlement in various jurisdictions.

The following table provides the amount of income taxes paid (net of refunds received), disaggregated by Switzerland federal, Switzerland cantonal and foreign taxes paid, for each annual reporting period.

	Fiscal Year Ended	
	December 27, 2025	December 28, 2024
Switzerland federal	$ 16,688	$ 71,793
Switzerland cantonal	6,064	19,141
Foreign		
United States	149,701	128,863
Taiwan	66,405	55,138
United Kingdom	21,177	14,189
Other	56,970	30,280
Total Foreign	$ 294,253	$ 228,470
Total	$ 317,005	$ 319,404

6. Leases

The following table represents lease costs recognized in the Company's consolidated statements of income for the 52-weeks ended December 27, 2025. Lease costs are included in selling, general and administrative expense and research and development expense on the Company's consolidated statements of income.

	Fiscal Year Ended	
	December 27, 2025	December 28, 2024
Operating lease cost [1]	$ 63,934	$ 54,526

[1] Operating lease cost includes short-term lease costs and variable lease costs, which were not material in the periods presented.

The following table represents the components of leases that are recognized on the Company's consolidated balance sheets as of December 27, 2025 and December 28, 2024.

	December 27, 2025	December 28, 2024
Operating lease right-of-use assets	$ 196,183	$ 164,656
Other accrued expenses	$ 31,153	$ 27,901
Noncurrent operating lease liabilities	164,835	134,886
Total lease liabilities	$ 195,988	$ 162,787
Weighted average remaining lease term	6.7 years	7.3 years
Weighted average discount rate	4.8%	4.4%

The following table presents maturities of the Company's lease liabilities as of December 27, 2025.

Year	Amount
2026	$ 43,514
2027	39,122
2028	36,165
2029	32,118
2030	27,589
Thereafter	57,003
Total	**235,511**
Less: imputed interest	(39,523)
Present value of lease liabilities	**195,988**

The following table presents supplemental cash flow and noncash information related to leases.

	Fiscal Year Ended	
	December 27, 2025	December 28, 2024
Cash paid for amounts included in the measurement of operating lease liabilities [1]	$ 45,973	$ 37,772
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 30,501	$ 30,423

[1] Included in net cash provided by operating activities in the accompanying consolidated statements of cash flows.

7. Commitments and Contingencies

Commitments

The Company is party to certain commitments that require the future purchase of goods or services ("unconditional purchase obligations"). The Company's unconditional purchase obligations primarily consist of payments for inventory, capital expenditures, and other indirect purchases in connection with conducting its business. The aggregate amount of purchase orders and other commitments open as of December 27, 2025 that may represent noncancellable unconditional purchase obligations having a remaining term in excess of one year was approximately $411,000.

Certain cash balances are held as collateral in relation to bank guarantees. This restricted cash is reported within other noncurrent assets on the Company's consolidated balance sheets and totaled $714 and $685 on December 27, 2025 and December 28, 2024, respectively.

Contingencies

Management of the Company currently does not believe it is reasonably possible that the Company may have incurred a material loss, or a material loss in excess of recorded accruals, with respect to loss contingencies in the aggregate, for the fiscal year ended December 27, 2025. The results of legal proceedings, investigations and claims, however, cannot be predicted with certainty. An adverse resolution of one or more of such matters in excess of management's expectations could have a material adverse effect in the particular quarter or fiscal year in which a loss is recorded, but based on information currently known, the Company does not believe it is likely that losses from such matters would have a material adverse effect on the Company's business or its consolidated financial position, results of operations or cash flows.

The Company settled or resolved certain legal matters during the fiscal years ended December 27, 2025, December 28, 2024, and December 30, 2023 that did not individually or in the aggregate have a material impact on the Company's business or its consolidated financial position, results of operations or cash flows.

8. Stockholders' Equity

Dividends

Under Swiss corporate law, dividends must be approved by shareholders at the annual general meeting of the Company's shareholders. Approved dividends are payable in four equal installments on dates determined by the Board of Directors. A reduction of retained earnings and a corresponding liability are recorded at the time of shareholders' approval and are periodically adjusted based on the number of applicable shares outstanding.

The Company's shareholders approved the following dividends:

Approval Date	Dividend Payment Date	Record Date	Dividend Per Share	Payment Amount
Fiscal 2025				
June 6, 2025	June 27, 2025	June 16, 2025	$ 0.90	$ 173,182
June 6, 2025	September 26, 2025	September 12, 2025	$ 0.90	$ 173,171
June 6, 2025	December 26, 2025	December 12, 2025	$ 0.90	$ 172,966
June 6, 2025	March 27, 2026	March 13, 2026	$ 0.90	$ 173,351
Total			**$ 3.60**	**$ 692,670**
Fiscal 2024				
June 7, 2024	June 28, 2024	June 17, 2024	$ 0.75	$ 144,035
June 7, 2024	September 27, 2024	September 13, 2024	$ 0.75	$ 144,127
June 7, 2024	December 27, 2024	December 13, 2024	$ 0.75	$ 143,981
June 7, 2024	March 28, 2025	March 14, 2025	$ 0.75	$ 144,566
Total			**$ 3.00**	**$ 576,709**
Fiscal 2023				
June 9, 2023	June 30, 2023	June 20, 2023	$ 0.73	$ 139,595
June 9, 2023	September 29, 2023	September 15, 2023	$ 0.73	$ 139,724
June 9, 2023	December 29, 2023	December 15, 2023	$ 0.73	$ 139,603
June 9, 2023	March 29, 2024	March 15, 2024	$ 0.73	$ 140,211
Total			**$ 2.92**	**$ 559,133**

The estimated payment amount for the dividend scheduled to be paid on March 27, 2026 was included in dividend payable on the Company's consolidated balance sheets as of December 27, 2025.

Approximately $94,981 and $61,129 of retained earnings was indefinitely restricted from distribution to shareholders pursuant to the laws of Taiwan as of December 27, 2025 and December 28, 2024, respectively.

Share Repurchase Program

On April 22, 2022, the Board of Directors approved a share repurchase program (the "2022 Program") authorizing the Company to repurchase up to $300,000 of the common shares of Garmin Ltd., exclusive of the cost of any associated excise tax. As of December 30, 2023, the Company had repurchased 3,176,453 shares for $300,000, leaving $0 available to repurchase additional shares under the 2022 Program when the share repurchase authorization expired on December 29, 2023.

On February 16, 2024, the Board of Directors approved a share repurchase program (the "2024 Program") authorizing the Company to repurchase up to $300,000 of the common shares of Garmin Ltd., exclusive of the cost of any associated excise tax. The timing and volume of share repurchases are subject to market conditions, business conditions and applicable laws, and are at management's discretion. Share repurchases may be made from time to time in the open market or in privately negotiated transactions, including under plans complying with the provisions of Rule 10b5-1 and Rule 10b-18 of the Securities Exchange Act of 1934, as amended. The 2024 Program does not require the purchase of any minimum number of shares and may be suspended or discontinued at any time. As of December 27, 2025, the Company had repurchased 1,228,591 shares for $244,302 leaving $55,698 available to repurchase additional shares under the 2024 Program. Cash paid for purchases of the Company's shares during fiscal 2025 was $181,011. As announced in February 2026, the 2024 Program, which had an initial expiration date of December 26, 2026, is scheduled to be earlier terminated on February 19, 2026 and replaced with a new share repurchase program effective beginning on February 20, 2026 (the "2026 Program"). The 2026 Program is scheduled to expire on December 30, 2028 and authorizes the Company to purchase up to $500 million of its common shares.

Share Capital

In the second quarter of 2023, the share capital currency of the Company was changed from the Swiss Franc (CHF) to the U.S. Dollar (USD), as approved by shareholders at the Company's 2023 Annual General Meeting. This aligns the share capital currency with the financial statement presentation currency of the Company. The Company's nominal par value per share of CHF 0.10 was slightly reduced to USD $0.10, the impact of which is reflected in share capital, captioned as common shares in the accompanying consolidated balance sheets. Total stockholders' equity reported for the Company was not affected by this change.

Treasury Shares

In March 2024, the Board of Directors approved the cancellation of 979,463 shares previously purchased under a share repurchase program. The capital reduction by cancellation of these shares became effective in March 2024. Total stockholders' equity reported for the Company was not affected.

9. Accumulated Other Comprehensive Income (Loss)

The following table presents changes in accumulated other comprehensive income (loss) balances by component for the year ended December 27, 2025:

	Foreign currency translation adjustment	Net gains (losses) on available-for-sale securities	Total
Balance - beginning of period	$ (116,866)	$ (30,372)	$ (147,238)
Other comprehensive income (loss) before reclassification, net of income tax expense of $10,536	135,969	31,164	167,133
Amounts reclassified from accumulated other comprehensive income (loss) to other income (expense), net of income tax benefit of $149 included in income tax provision	—	750	750
Net current-period other comprehensive income (loss)	135,969	31,914	167,883
Balance - end of period	$ 19,103	$ 1,542	$ 20,645

10. Employee Stock Compensation and Savings Plans

Stock Compensation

The various Company stock compensation plans are summarized below. For all stock compensation plans, the Company's policy is to issue treasury shares for option/stock appreciation right (SAR) exercises, restricted stock unit (RSU) releases, and employee stock purchase plan (ESPP) purchases.

2011 Non-employee Directors' Equity Incentive Plan

In June 2011, the Company's shareholders adopted an equity incentive plan for non-employee directors (the "2011 Directors Plan") providing for grants of stock options, SARs, RSUs and/or performance shares, pursuant to which up to 122,592 shares were made available for issuance. In June 2023, the shareholders approved an increase to the number of shares authorized to 150,000. The term of each award cannot exceed ten years. Awards are subject to a minimum one-year vesting period. In 2025, 2024, and 2023, there were 3,432, 4,360, and 6,004 RSUs granted under this plan, respectively. At December 27, 2025, approximately 25,608 shares were available for future issuance under the 2011 Directors Plan.

2005 Equity Incentive Plan

In June 2005, the Company's shareholders adopted an equity incentive plan (the "2005 Plan") providing for grants of incentive and nonqualified stock options, SARs, RSUs and/or performance shares to employees of the Company and its subsidiaries, pursuant to which up to 10,000,000 common shares were made available for issuance. In 2013 and 2024, the shareholders approved increases of an additional 3,000,000 and 5,000,000 shares, respectively, to the 2005 Plan, increasing the total shares authorized under the plan to 18,000,000. Option and SAR grants vest evenly over a period of five years or as otherwise determined by the Board of Directors or the Compensation Committee and generally expire ten years from the date of grant, if not exercised. RSUs vest evenly over a period of three years. In addition to time-based vesting requirements, the vesting of certain RSU grants is also contingent upon the Company's achievement of certain financial performance goals. During 2025, 2024, and 2023, there were 925,861, 998,321, and 1,047,934 RSUs granted under the 2005 Plan, respectively. No stock options or SARs were granted under the 2005 Plan in 2025, 2024, or 2023. At December 27, 2025, approximately 4,361,120 shares were available for future issuance under the 2005 Plan.

Stock Compensation Activity

A summary of the Company's stock compensation activity and related information under the 2011 Directors Plan, the 2005 Plan, and the 2000 Plan for the years ended December 27, 2025, December 28, 2024, and December 30, 2023 is provided below:

	Restricted Stock Units		
	Weighted-Average Grant Date Fair Value		Number of Shares
			(In Thousands)
Outstanding at December 31, 2022	$	103.61	1,837
Granted	$	105.47	1,054
Released/Vested	$	103.61	(749)
Cancelled	$	106.09	(456)
Outstanding at December 30, 2023	$	104.10	1,686
Granted	$	143.82	1,003
Released/Vested	$	105.45	(877)
Cancelled	$	106.92	(46)
Outstanding at December 28, 2024	$	125.91	1,766
Granted	$	181.65	929
Released/Vested	$	118.07	(952)
Cancelled	$	136.13	(68)
Outstanding at December 27, 2025	$	160.87	1,675

The weighted-average remaining contract life of restricted stock units at December 27, 2025 was 1.04 years. There were no outstanding options/SARs or any associated stock compensation activity during the years ended December 27, 2025, December 28, 2024, and December 30, 2023.

The total fair values of awards vested during 2025, 2024, and 2023, were $112,424, $92,502, and $77,626, respectively. The aggregate intrinsic value of RSUs outstanding at December 27, 2025 was $344,219. The aggregate intrinsic values of RSUs released during 2025, 2024, and 2023 were $195,677, $183,639, and $96,301, respectively. Aggregate intrinsic value of RSUs represents the applicable number of awards multiplied by the Company's closing share price on the last trading day of the relevant fiscal period. The Company's closing share price was $205.51 on December 27, 2025 (based on the closing share price on December 26, 2025). As of December 27, 2025, there was $180,758 of total unrecognized compensation cost related to unvested share-based payment awards granted to employees under the stock compensation plans. That cost is expected to be recognized over the remaining vesting period.

Employee Stock Purchase Plan

The Company's shareholders have adopted an employee stock purchase plan (the "ESPP"). Up to 10,000,000 common shares have been reserved for issuance under the ESPP. Shares are offered to employees at a price equal to the lesser of 85% of the fair market value of the Company's shares on the date of purchase or 85% of the fair market value on the first day of the ESPP period. The ESPP is intended to qualify as an "employee stock purchase plan" under Section 423 of the Internal Revenue Code. During 2025, 2024, and 2023, there were 333,443, 410,999, and 524,774 shares purchased under the plan for a total purchase price of $57,785, $49,617, and $43,905, respectively. During 2025, 2024, and 2023, the purchases were issued from treasury shares. At December 27, 2025, approximately 1,518,104 shares were available for future issuance under the ESPP.

Savings Plans

Certain subsidiaries of the Company sponsor various savings plans such as defined contribution employee retirement plans. Garmin International and the Company's other U.S.-based subsidiaries sponsor a retirement plan under which their employees may contribute up to 50% of their annual compensation subject to Internal Revenue Code maximum limitations and to which the subsidiaries contribute a specified percentage of each participant's annual compensation up to certain limits as defined in the retirement plan. During the years ended December 27, 2025, December 28, 2024, and December 30, 2023, expense related to this and other defined contribution plans of $104,755, $93,687, and $84,609, respectively, was recorded within the Company's consolidated statements of income.

Certain of the Company's non-U.S. subsidiaries sponsor or participate in local defined benefit pension plans. The obligations, contributions, and associated expense of such plans for the years ended December 27, 2025, December 28, 2024, and December 30, 2023 were not material.

11. Segment Information and Geographic Data

Garmin is organized in the five operating segments of fitness, outdoor, aviation, marine, and auto OEM, which represent the primary markets served by the Company. These operating segments are also the Company's reportable segments.

The Company's Chief Executive Officer, who has been identified as the Chief Operating Decision Maker (CODM), uses operating income (loss) as the primary measure of profit or loss to assess segment performance. Operating income (loss) represents net sales less costs of goods sold and operating expenses. Net sales are directly attributed to each segment. Most costs of goods sold and the majority of operating expenses are also directly attributed to each segment, while certain other costs of goods sold and operating expenses are allocated to the segments in a reasonable manner considering the specific facts and circumstances of the expenses being allocated. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. There are no inter-segment sales or transfers.

The Company's segments share many common resources, infrastructures and assets in the normal course of business, and certain assets are therefore not separately tracked by segment. Thus, the Company does not report accounts receivable, inventories, property and equipment, intangible assets, capital expenditures, depreciation expense, or amortization expense by segment to the CODM.

The CODM utilizes operating income (loss) to assess segment performance and make decisions about the allocation of operating and capital resources by analyzing future opportunities and recent operating income (loss) results, trends, and variances of each segment in relation to forecasts and historical performance.

Net sales, cost of goods sold, gross profit, significant segment expenses, and operating income (loss) for each of the Company's five reportable segments are presented below.

	Fitness	Outdoor	Aviation	Marine	Auto OEM	Total
52-Weeks Ended December 27, 2025						
Net sales	$ 2,357,000	$ 2,054,061	$ 987,161	$ 1,182,615	$ 664,682	$ 7,245,519
Cost of goods sold	954,415	702,831	245,654	532,708	553,608	2,989,216
Gross profit	1,402,585	1,351,230	741,507	649,907	111,074	4,256,303
Research and development expense	216,956	270,084	342,282	187,610	109,299	1,126,231
Selling, general and administrative expenses	459,748	390,794	141,998	211,047	50,409	1,253,996
Operating income (loss)	725,881	690,352	257,227	251,250	(48,634)	1,876,076
52-Weeks Ended December 28, 2024						
Net sales	$ 1,774,487	$ 1,961,990	$ 876,614	$ 1,073,192	$ 610,620	$ 6,296,903
Cost of goods sold	742,480	655,585	220,105	479,065	503,113	2,600,348
Gross profit	1,032,007	1,306,405	656,509	594,127	107,507	3,696,555
Research and development expense	182,900	239,208	316,371	160,615	94,507	993,601
Selling, general and administrative expenses	366,435	364,467	128,771	197,502	51,785	1,108,960
Operating income (loss)	482,672	702,730	211,367	236,010	(38,785)	1,593,994
52-Weeks Ended December 30, 2023						
Net sales	$ 1,344,637	$ 1,697,151	$ 846,329	$ 916,911	$ 423,224	$ 5,228,252
Cost of goods sold	627,731	624,290	220,341	425,650	325,285	2,223,297
Gross profit	716,906	1,072,861	625,988	491,261	97,939	3,004,955
Research and development expense	163,148	215,555	284,014	137,342	104,637	904,696
Selling, general and administrative expenses	321,557	342,052	115,574	174,490	54,426	1,008,099
Operating income (loss)	232,201	515,254	226,400	179,429	(61,124)	1,092,160

Net sales to external customers, property and equipment, and net assets by geographic area are as shown below for the fiscal years ended December 27, 2025, December 28, 2024, and December 30, 2023.

	Americas	EMEA	APAC	Total
December 27, 2025				
Net sales to external customers [1]	$ 3,453,936	$ 2,741,580	$ 1,050,003	$ 7,245,519
Property and equipment, net	799,235	174,736	401,377	1,375,348
Net assets [2]	5,610,868	1,724,699	1,636,997	8,972,564
December 28, 2024				
Net sales to external customers [1]	$ 3,036,083	$ 2,319,310	$ 941,510	$ 6,296,903
Property and equipment, net	756,633	137,283	342,968	1,236,884
Net assets [2]	5,173,117	1,347,520	1,327,761	7,848,398
December 30, 2023				
Net sales to external customers [1]	$ 2,614,358	$ 1,775,965	$ 837,929	$ 5,228,252
Property and equipment, net	736,218	141,388	346,491	1,224,097
Net assets [2]	4,377,450	1,297,580	1,339,275	7,014,305

(1) The United States is the only country which constitutes greater than 10% of net sales to external customers.
(2) Americas and APAC net assets are primarily held in the United States and Taiwan, respectively.